

**No.52/22/CAB/2014**  
**GOVERNMENT OF INDIA**  
**MINISTRY OF CORPORATE AFFAIRS**

5<sup>th</sup> Floor, "A" Wing, Shastri Bhavan  
New Delhi -110001  
Dated: the 19<sup>th</sup> July, 2014

**OFFICE MEMORANDUM**

**Sub.: Constitution of Expert Committee to examine issues relating to maintenance of Cost Records and Cost Audit.**

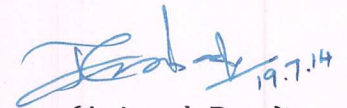
The undersigned is directed to say that representations have been received from members of the Institute of Cost Accountants of India after notification of the Companies (Cost Records and Audit) Rules 2014, expressing grievances about the scope of the rules and their implications for the profession of Cost Accountancy. The matter has been examined and a view has been taken by the competent authority that the above and other related issues need to be considered by a group of experts. Accordingly, the competent authority has decided to constitute an Expert Committee consisting of the following:

1. Shri R.S. Sharma, former CMD, ONGC - Chairman
  2. Shri R.K. Jain, Additional Secretary, Ministry of Health & Family Welfare - Member
  3. Shri Chandra Wadhwa, former President, ICWAI - Member
  4. Smt. Aruna Sethi, Adviser (Cost), Ministry of Corporate Affairs – Member-Convener  
(The Chairman in consultation with the Committee may co-opt upto two members having regard to the exigencies of the Terms of Reference)
2. The terms of reference of the Committee shall be as under:
- a) To examine the Companies (Cost Records and Audit) Rules 2014, including the prescribed classes of companies/industries/sectors, the threshold limits and recommend appropriate changes/modifications to be made thereunder keeping in view rational and relevant criteria to determine the basis of including or excluding a class or classes of companies;

- b) To examine the current Cost Audit scenario in the country and to suggest measures to optimally utilize Cost Audit as an instrument of promoting transparency and efficiency in business and industry;
- c) To identify and suggest principles that should govern assignment of greater opportunities to Cost professionals;
- d) To suggest measures to enhance the utility of Cost Audit Reports to Government and other regulators/related agencies and the manner and extent of their filing;
- e) To study prevalent international practices relating to Cost Records in large economies and draw comparison to the current Indian scenario;
- f) To look into and make suitable recommendations about issues incidental to the above.

3. It is expected that the Committee will hold detailed consultations with the Institute of Cost Accountants of India, members of the profession and other stakeholders interested in the Terms of Reference. Such consultations could be in person or through other means of communications.

4. The Committee may submit its report within a period of three months from its first meeting. Adviser (Cost) will render necessary secretarial and logistics support.



(Animesh Bose)  
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**Copy to:-**

1. The Chairman/Members of the Committee
2. OSD to Corporate Affairs Minister
3. PS to Minister of State (Corporate Affairs)
4. Adviser (Cost), Ministry of Corporate Affairs
5. Secretary, Institute of Cost Accountants of India.
6. E-Governance section and Web Contents Officer to place this O.M. on the website.
7. Guard File.